47 JAN 1978

MEMORANDUM FOR: Deputy Director of Security (PSI)

FROM:

STATINTL

Security (PTOS)

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SUBJECT:

Request for Current Policy Statement Concerning When Disclosure of CIA Interest or hase II Air Force Interest Can be Made to a Contractor's Employee Who is Being Considered and Investigated For Access to Classified Information Either

Collateral or Compartmented

REFERENCE:

Security Requirements for Contractors, Paragraph 4c(1), dated 2 May 1977

- 1. This Office is currently preparing a consolidated Industrial Security Manual for use by Agency contractors.
- Paragraph 4c(1) of reference states, with respect to Association Classified contracts, that the contractor's employee on whom an Industrial Security Approval Request is being submitted is not to be advised that he or she is being considered for Sponsor approval until such time as the contractor is notified that the approval has been granted.

 Although not stated in the the same procedure had been followed with regard to security Access Approvals.

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3. This Office has been advised by OL/SS that the Office of Logistics has modified this approach to conform with Freedom of Information Act requirements, now advising the contractor's employee of Agency interest after the completion of favorable name checks. The employee then fills out a Personal History Statement, after which the background investigation is completed. The Chief, Polygraph Branch, has advised this Office that there is also a common-sense requirement to disclose Agency interest before polygraph testing of certain key contractor personnel during their security processing for access to Sensitive Compartmented Information (SCI).

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4. In order that we may word the new Industrial Security Manual appropriately in this regard, this Office requests that you furnish in writing a current policy statement concerning that point in time when CIA interest may be revealed to contractor's employees who are being investigated for an ultimate approval for access to collaterally classified information, SI information, TK STATINT information, and Phase III information. Also, we would appreciate it if you would advise us similarly on those contractor's employees who are being considered for access to Phase II information. STATINTACCESS to Phase II

> By copy of this memorandum, Chiefs of the ODGE/SS and the OL/SS are being informed of this request so that they may participate with you in a coordinated response if necessary.

> > STATINTL

Attachment Reference

cc: ODGE/SS OL/SS

Distribution:

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1 - DD/PTOS

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- ISB policy I - ISB chrono

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